GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:2012
ANSWERED ON:09.03.2016
Policy on ITIR
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Government is contemplating to introduce a new policy on the Information Technology Investment Region (ITIR);
(b) if so, the details thereof and the time by which it is likely to be launched; and
(c) the steps taken by the Government to make the country an information technology hub?

Answer

(a) and (b): The Information Technology Investment Region Policy Resolution, 2008 was notified in May 2008. Based on the experience gained so far in implementing the policy, the policy is being revised and is being put up for approval of Cabinet Committee of Economic Affairs(CCEA).

(c): The Government has taken several steps to make the country an Information Technology hub.

Software Technology Parks of India (STPI), an autonomous society under the Department of Electronics & Information Technology (DeitY), Ministry of Communications & Information Technology is engaged in the promotion and development of IT-ITES. STPI has set up 54 STPI centres across the country. Further, the Department of Commerce (DoC), Ministry of Commerce & Industry has notified 203 IT-ITES specific Special Economic Zones (SEZs). These IT-ITES SEZs are significantly contributing towards the growth of IT-ITES exports from the country.

The Government extends several incentives for Information Technology Sector. Currently, the IT-ITES SEZ units are eligible for tax benefits as per Section 10AA of the Income Tax Act for a period of 15 years in a phased manner. Under the Software Technology Parks (STP) scheme, which is administered by the STPI, IT-ITES units are eligible for various benefits such as Customs Duty exemption on imported goods, reimbursement of Central Sales Tax (CST) and Excise Duty exemption on procurement of indigenously manufactured goods. Further, DOC, through Marketing Development Assistance (MDA) and Market Access Initiatives (MAI) Scheme assists exporters especially Small & Medium Enterprises (SMEs) for export promotion activities abroad.

In addition to the above, the Government has also taken steps to set-up an ecosystem for emerging areas of Information Technology. A Centre of Excellence on Internet of Things has been setup at Nasscom, Bengaluru to make India an innovation hub for IoT applications. Electronic Development Fund(EDF) policy has been approved to support Daughter Funds including Early Stage Angel Funds and Venture Funds in the area of Electronics System Design and Manufacturing, Nano-electronics and IT. The supported Daughter Funds will promote innovation, R&D and product development in above sectors within the country.

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